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DALLAS, TEXAS
MARCH 16, 2005

**Local Pharmacist and Stepfather Sentenced
in Internet Pharmacy Case**

Clayton H. Fuchs Sentenced to 20 Years Imprisonment

United States Attorney Richard B. Roper announced today that pharmacist Clayton H. Fuchs, of Rockwall, Texas, was sentenced today by the Honorable Jorge A. Solis, United States District Judge, to 20 years imprisonment. Fuchs' stepfather, co-defendant Eugene Gonzales, of Garland, Texas, was also sentenced today by Judge Solis to 30 months.

Fuchs and the other defendants were also ordered to forfeit the proceeds they acquired with the illegal funds. Among these items were several houses, cars and cash.

Clayton H. Fuchs was found guilty in late October 2003 on all counts of a federal superseding indictment that charged various felony offenses related to his operation of a web-based pharmacy and the illegal dispensing of controlled substances. He has been in federal custody since his conviction. The jury found Fuchs, age 34, guilty on all six counts charged in the indictment that included conspiracy to dispense a controlled substance, operating a Continuing Criminal Enterprise, and money laundering.

At trial, the jury also found Eugene Gonzales, age 50, guilty of conspiracy to launder money with Fuchs. Gonzales has been on bond since his conviction but Judge Solis ordered that he surrender to the Bureau of Prisons on April 20, 2005.

Also convicted at that trial was pharmacist Waldrick Lemons, age 32, of DeSoto, Texas. He was found guilty of conspiracy to illegally dispense controlled substances and is scheduled to be sentenced on April 27, 2005. Other co-defendants, three physicians — Stephen Thompson who practices in Garland, Texas, Robert Ogle, who practices out of

Rockwall, Texas, and Kenneth Speak, who practices in Dallas — were originally charged in a federal indictment in December 2002. Thompson, age 51, and Ogle, age 58, each pled guilty to one count of conspiracy to illegally distribute a controlled substance and one count of money laundering and are scheduled to be sentenced on March 30, 2005. Speak, age 78, pled guilty to one count of conspiracy to illegally distribute a controlled substance and was sentenced in January 2004 to four years probation.

Clayton H. Fuchs was the owner and operator of Friendly Pharmacy; Clayton H. Fuchs, LLC; Rush Doctor, Inc.; Texas Health Web, Inc.; Premier Rehabilitation and Pain Management, Inc.; and Millennium Health Services, Inc., d/b/a Main Street Pharmacy. He was a pharmacist licensed in the State of Texas and was Friendly Pharmacy's "pharmacist in charge." Part of Friendly Pharmacy's operation included a web-based pharmacy, with an internet address of www.friendlypharmacy.com. A physician referral service connected with Friendly Pharmacy had the internet address of www.texashealthweb.com. A web-based pharmacy was also included in the operations of Main Street Pharmacy, and it had an internet address of www.nationpharmacy.com. This web-based pharmacy included a physician referral service.

Testimony at trial showed that online customers could simply access the website, complete a simple questionnaire, and pick their controlled substance of choice. The pharmacy found doctors willing to sign prescriptions without seeing the patient. Each doctor signed thousands of prescriptions with no contact whatsoever with the customers and were paid by the pharmacy per signed prescription.

More than 38,000 prescriptions for controlled substances were written or filled in Fuchs' pharmacies. Evidence presented at trial showed that hundreds of bottles of controlled substances were going out of the pharmacy each day. In total, Main Street Pharmacy and Friendly Pharmacy took in more than \$8 million with roughly \$5.6 million of it coming from the sale of controlled substances. Hydrocodone (generic for lortab, vicadin, etc.) was the predominant drug being sold over the internet from the pharmacies. This is a highly addictive drug that lends itself to abuse as well as the possibility of it being sold for illicit purposes.

Testimony at trial revealed that when a Texas State Board of Pharmacy Inspector told Fuchs that "prescriptions initiated this way (without a valid doctor/patient relationship) were invalid," Fuchs still continued to dispense new prescriptions and refills for a month. Fuchs then closed his operations in Texas, moved to Oklahoma, and set up Main Street Pharmacy which did the same thing with the same customer base from the internet as did Friendly Pharmacy.

In closing arguments at trial, government prosecutors said that rogue pharmacists and pharmacies that operate in this way are no better than the typical drug dealers dealing drugs on the street — and they should be treated no differently.

U.S. Attorney Roper said, "Individuals who illegally dispense controlled substances over the internet will be prosecuted in the same manner as those who sell illegal drugs on our street corners. They can expect swift prosecution and stiff prison sentences. Fuchs, the pharmacist who ran this illicit enterprise, was convicted for being a drug kingpin and will serve a significant prison sentence. This was the first prosecution in the nation using the kingpin statute for an internet pharmacy, and this office is committed to continuing to use every means at our disposal to ensure the safety of our community from these rogue operations."

Gary G. Olenkiewicz, Special Agent in Charge of the Dallas Division of the Drug Enforcement Administration, remarked that, "Today's sentencing by the federal district court of Mr. Fuchs has sent a strong message to those that would attempt to profit from the use of the internet to divert legitimate pharmaceuticals into the illicit market." Mr. Olenkiewicz continued, "The criminal use of the internet for these purposes is a growing problem being addressed by law enforcement nationwide. This investigation is another example of the positive results that occur through the cooperation of federal, state and local law enforcement agencies in conjunction with the U.S. Attorney's Office for the Northern District of Texas."

"IRS Criminal Investigations' expertise in conducting financial investigations has established our reputation as one of the leaders in the fight against drug trafficking and fraud," said Michael Lacenski, Special Agent in Charge, Internal Revenue Service, Criminal Investigation. "Investigations like these require the utmost in accounting and legal acumen, along with the investigative abilities to pierce these complex financial crimes," Mr. Lacenski continued.

U.S. Attorney Roper especially noted the outstanding work done by the late Drug Enforcement Administration Diversion Investigator Alice Hall-Walton. Ms Hall-Walton was the case agent on the case in February 2001 and was killed in an automobile accident while heading to the U.S. Attorney's Office to discuss the case. Ms. Hall-Walton's commitment to this investigation was paramount to the successful investigation and prosecution of the case. U. S. Attorney Roper also praised the coordinated investigative efforts of the Drug Enforcement Administration; the Internal Revenue Service - Criminal Investigation (IRS-CI), Dallas Field Office; the Food and Drug Administration, Austin, Texas; the Federal Bureau of Investigation; and the Garland Police Department. The case was prosecuted by Assistant United States Attorneys Dan Guess and Erin Nealy Cox.